

Message Text

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43

ACTION OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 AID-20 OMB-01 ABF-01 L-03

/059 W

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R 011020Z NOV 73

FM AMEMBASSY MOGADISCIO

TO SECSTATE WASHDC 1385

UNCLAS MOGADISCIO 1607

DEPT PASS OPIC

E.O. 11652: N/A

TAGS: EIND SO

SUBJ: OPIC/FEARN/PRODMA

REF: STATE 214062

1. TEXT OF LETTER AGREEMENT REQUESTED BY REFTEL AS FOLLOWS:

"10TH OCTOBER, 1973. SUBJECT: THE PROPOSED SALE OF FEARN'S INTEREST IN PRODMA TO THE CHISMAIO MEAT FACTORY. - DEAR MR. HOEVELER, PLEASE REFER TO OUR DISCUSSION IN MY OFFICE ON THE 9TH OF THIS MONTH ON THE ABOVE MENTIONED SUBJECT.

"I AM WRITING TO YOU TO CONFIRM WHAT I HAVE ALREADY STATED TO YOU TO BE THE POSITION WHICH THE GOVERNMENT OF THE SOMALI DEMOCRATIC REPUBLIC (GSDR) TAKES REGARDING THE SALE OF FEARN'S INTEREST IN PRODMA AS FOLLOWS:-

"1. THE TERMS NEGOTIATED WITH YOU BY THE MINISTRY OF FISHERIES, NAMELY THE PURCHASE PRICE OF THE UNITED STATES DOLLAR EQUIVALENT OF TWO MILLION SOMALI SHILLINGS AND PAYMENT THEREOF WITHIN ONE MONTH FROM THE DATE OF SIGNATURE OF AN AGREEMENT MAY BE CONSIDERED TO BE SETTLED AND NEED NOT BE RE-OPENED; SO THAT THE WAY IS OPEN TOWARDS THE CONCLUSION OF A MUTALLY SATISFACTORY TRANSACTION ON THE TERMS JUST MENTIONED PROVIDED THAT THE CONDITIONS SET OUT IN THE FOLLOWING PARAGRAPH ARE FIRST MET BY FEARN.-

"2. AS FEARN IS A MINORITY SHARE-HOLDER IN PRODMA AND AS FEARN'S ASSETS ARE, LEGALLY SPEAKING, THE PROPERTY OF PRODMA, IT IS CONSIDERED ESSENTIAL THAT FEARN TAKES THE NECESSARY ACTION TO WIND

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SIDERED ESSENTIAL THAT FEARN TAKES THE NECESSARY ACTION TO WIND

UP OR LIQUIDATE PRODMA SO THAT THIRD PARTY CLAIMS, IF ANY, MAY NOT BE RAISED AGAINST THE PURCHASER OF THE SAID ASSETS.-

"3. WITH REGARD TO THE OIL STORAGE FACILITY AND EQUIPMENT OF PRODMA WHICH WERE NATIONALIZED THE GOVERNMENT OF THE SOMALI DEMOCRATIC REPUBLIC WISHES TO COMPENSATE PRODMA FOLLOWING THE PROCEDURE LAID DOWN BY THE NATIONALIZATION ACT LAW NO. 26 OF 7TH MAY, 1970. SUBJECT TO THE APPROVAL OF THE SPECIAL COMMISSION FOR NATIONALIZED ENTERPRISES, THE GSDR AGREES TO PAY THE SUM OF U.S. DOLLAR EQUIVALENT OF 300,000 (THREE HUNDRED THOUSAND SOMALI SHILLINGS) BY WAY OF COMPENSATION FOR THE SAID OIL STORAGE FACILITY.-

"MY OFFICE IS PREPARED TO GIVE ALL APPROPRIATE ASSISTANCE IN EXPEDITING THE LIQUIDATION PROCEEDINGS.-

"YOURS FAITHFULLY, /S/ ADVOCATE ABDULLAHI SAID OSMAN, CHIEF STATE COUNSEL".

2. COPY OF ABOVE LETTER WILL BE POUCHED NOV 4.

KIRK

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Message Attributes

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Disposition Event:
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